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Proposed revisions to the medium-term plan for the period 2002-2005

Programme 16
Economic development in Europe

1. The preparation, format and content of the medium-term plan and its revisions are governed by the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2000/8).

2. Regulation 4.13 provides, inter alia, that the medium-term plan shall be revised as necessary every two years to incorporate required programme changes and that the proposed revisions shall be as detailed as necessary to incorporate the programme implications of the resolutions and decisions adopted by intergovernmental organs and international conferences since the adoption of the plan.

3. The revisions to the medium-term plan for the period 2002-2005 proposed in the annex are as follows: modification of the overall orientation (paras. 16.1 and 16.2) and of subprogramme 1 (para. 16.6); subprogramme 2 (para. 16.11); subprogramme 5 (para. 16.26); and subprogramme 6 (paras. 16.30-16.34). It is proposed to replace the old subprogramme 6 with a new one, entitled, Trade development, and to add a new subprogramme 9, Industrial restructuring and enterprise development.

4. The Bureau of the Committee for Trade, Industry and Enterprise Development agreed on 11 February 2002 that subprogramme 6, Trade, industry and enterprise development, should be divided into two subprogrammes as follows:

(a) Subprogramme 6, Trade development, which will deal with issues related to trade, including improving the institutional environment for trade; establishing and harmonizing norms, standards and guidelines related to trade and trade facilitation; and examining the impact of these areas on trade policies at national, regional and international levels within the multilateral trade framework;

(b) Subprogramme 9, Industrial restructuring and enterprise development, which will deal with issues related to industry and enterprise development, including

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promoting the development of an institutional environment conducive to sustainable industrial activities, good corporate governance, intellectual property and real estate markets, enterprise creation and capacity-building for e-business.

5. The responsible sectoral body for both subprogrammes will continue to be the Committee for Trade, Industry and Enterprise Development. The justification for this proposal could be summarized as follows:

(a) The existing subprogramme covering trade and industry, as well as enterprise development, has proved to be too diverse;

(b) As a result, the constituency of governmental representatives and experts involved in this programme of work is very heterogeneous;

(c) The variety and range of issues covered by the subprogramme as it currently stands make it difficult to plan activities in the context of the programme budget, as well as to monitor and report on them in compliance with the requirements of the Office of Internal Oversight Services.

6. Subsequently, the ECE Group of Experts on the Programme of Work considered revisions to the whole programme on 21 February 2002 but made no particular comments.

7. The medium-term plan for the period 2002-2005 was adopted by the General Assembly in its resolution 55/234 of 23 December 2000 and issued as document A/55/6/Rev.1. The proposed programme budget for the biennium 2002-2003 is contained in documents A/56/6 and Corr.1 and Add.1 and 2 (Introduction, Sects. 1-33 and Income sects. 1-3). It was revised and approved by the General Assembly in its resolutions 56/253 and 56/254 of 24 December 2001.

8. In the proposed revisions, new text to be inserted appears in boldface type, and text to be deleted appears in strikeout type. An explanation of the changes is provided in italic type within brackets.

Annex

Proposed revisions to programme 16, Economic development in Europe

Overall orientation

16.1 The overall orientation of the programme is to strengthen the economic relations of the member countries, among themselves and with other countries of the world, in order to improve the quality of life, increase the security of the people and ensure sustainable development. The principal mandates of the programme are provided in resolutions of the General Assembly, **including in particular resolution 55/2 on the Millennium Declaration and other relevant resolutions on the outcome of the global events held recently,** ~~and~~ **as well as resolutions** of the Economic and Social Council. In its resolution 36 (IV) of 28 March 1947, the Council established the Economic Commission for Europe (ECE) and assigned to it responsibilities for coordination and promotion of international economic cooperation in Europe. Further direction to the programme is provided in ECE resolutions and decisions, in particular, the Declaration on the Strengthening of Economic Cooperation in Europe and its annexed Plan of Action, both endorsed by the Council in its decision 1997/224. **Any further guidance to the programme as an outcome of the World Summit on Sustainable Development, to be held in August and September 2002, will be taken into account in implementing the work programme.** Substantive responsibility for the programme is vested in ECE, supported by its secretariat. [*changed to reflect additional mandates adopted recently or to be adopted in the course of the remaining period covered by the medium-term plan*]

16.2 The overall strategy of ECE is designed around ~~eight~~ **nine** interdependent and complementary subprogrammes. The strategy involves the development of economic data, studies and policy analysis, the negotiation of conventions, norms and guidelines, the promotion of dialogue and the exchange of information and experience. Thus, ECE expects to contribute to preventing the emergence of new dividing lines in Europe, taking advantage of its established role as the only pan-European/North American neutral forum for forging integrating tools in economic and technical areas where all Governments participate as full members and on an equal footing. [*changed to reflect the inclusion of the new subprogramme 9*]

Subprogramme 1 Environment

Strategy

16.6 Within ECE, the substantive responsibility for this subprogramme is vested in the Environment and Human Settlements Division. The subprogramme will be implemented under the guidance of the Committee on Environmental Policy and, at the ministerial level, through the follow-up to the "Environment for Europe" Conference, to be held in Kiev in ~~2002~~ **2003**, and the preparation for the Environment and Health Conference, to be held in Budapest in 2004. Activities will be aimed at strengthening institutional capacity in member countries, in part through regional advisory services and the sharing of experiences among them in different areas: reducing air pollution, safeguarding aquatic ecosystems, preventing and reducing water-related diseases, preventing the adverse effects of industrial accidents, promoting public access to environmental information and increasing public participation in environmental decision-making. Cross-sectoral cooperation, both across the environmental areas and between different sectors (environment, transport, health and energy), will be promoted through the provision of catalysing forums for the relevant intergovernmental bodies, including the governing bodies of regional conventions and protocols. [*changed to update the date of the Kiev conference*]

Subprogramme 2 Transport

Strategy

16.11 Within ECE, the substantive responsibility for this subprogramme is vested in the Transport Division. The subprogramme would be implemented through the activities of the Inland Transport Committee and its subsidiary bodies as well as the Economic and Social Council Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals, which is serviced by the ECE secretariat. The ~~results of the Regional Conference on Transport and the Environment (Vienna, 1997) and the~~ follow-up to the

mid-term review ~~conference in 2002~~ **of the Vienna Regional Ministerial Conference on Transport and the Environment and to the second High-level Meeting on Transport, Environment and Health, to be held in 2002**, will be implemented. Activities will mainly centre on the organization of intergovernmental meetings, seminars and workshops and the preparation of documents and publications. Through these activities, a forum for Governments to exchange information and views on transport trends and policies in the region will be provided. Assistance will be provided to countries with economies in transition through regional advisory services and training workshops. Subregional cooperation projects will be carried out aiming at the coordinated development of transport infrastructure corridors and networks in central and eastern parts of Europe as well as in the member countries of the Caucasus and Central Asia. [*changed to update references to the two regional events referred to above*]

Subprogramme 5
Sustainable energy

Strategy

16.26 Within ECE, the substantive responsibility for this subprogramme is vested in the Sustainable Energy Division. The subprogramme will continue to emphasize the development and implementation of sustainable energy policies and strategies; the enhancement of energy efficiency; the efficient production, transport and use of natural gas; the implementation of environmentally sound coal mining and use technologies; and the further increase in electric power interconnections. In addition, increased emphasis will be given to the sustainable use of petroleum products, namely in respect to transport and the environment, as well as to enhancing the use of new and renewable sources of energy. Regional conclusions, proposals and recommendations on sustainable energy adopted by the ~~Commission~~ **World Summit** on Sustainable Development ~~at its ninth session in 2001~~ **in 2002** will be implemented. In the light of the outcome of the ~~ninth session of the Commission~~ **Summit** and the Environment Ministers Conference in ~~2002~~ **2003** under the Environment for Europe process, related activities will reflect a revised programme of work, focused on the development of sustainable energy policies and strategies at the national and intergovernmental levels. [*changed to update references to the convening and outcome of the World Summit on Sustainable Development*]

Subprogramme 6
Trade~~, industry and enterprise~~ development

[*subprogramme changed to reflect structural changes*]

Objective

16.30 The objective is to facilitate **and develop the infrastructure for** international trade **in terms of trade-related norms, standards, tools and policy recommendations;** to reduce the main internal and external obstacles to ~~the development of foreign~~ trade~~, investment enterprise activities~~ and economic cooperation in the ECE region; and to further the integration of countries with economies in transition into the global economy.

Strategy

16.31 Within ECE, substantive responsibility for this subprogramme is vested in the Trade **Development and Timber** Division. The subprogramme will be implemented through the exchange of experiences gained by both developed market economies and transition economies leading to the development of policy guidelines and recommendations in different areas. These areas include ~~the promotion of entrepreneurship,~~ cross-border trade, transit trade operations, ~~marketing~~ **trade promotion** and financing techniques and the implications of globalization and regional trading arrangements for foreign trade and foreign direct investment in the region. Coverage will be given to legislation and administrative procedures in conformity with relevant provisions of the World Trade Organization, the European Union and other relevant bodies. Standards and recommendations will be developed for agricultural produce and will be disseminated among countries trading with ECE markets and among users at different levels. Capacity-building activities (seminars, workshops and advisory services) will be carried out for institutions dealing with ~~commercial, business and property laws~~ **trade.**

16.32 Through these activities, the subprogramme will facilitate the decision-making of policy makers and economic actors, in particular in countries with

economies in transition, on the promotion **and development** of trade~~, investment and enterprise development~~. Simple, transparent and effective processes will be developed for the exchange of products and services by business, trade and administrative organizations in order to accelerate the growth, scope and benefits of world trade, in particular through recommendations and norms for trade facilitation and electronic business. Meetings of expert groups under the Centre for Facilitation of Procedures and Practices for Administration, Commerce and Transport will be used to develop recommendations and norms for trade facilitation and electronic business. A forum will be provided for member States, in particular those with economies in transition, for the coordination and harmonization of standardization policies affecting international trade, ~~including those related to technical regulations, conformity assessment, quality assurance and metrology~~, and to increase their awareness of developments in those fields. Greater efficiencies in trade- ~~and enterprise~~-related areas and the development of well-functioning market economies will be promoted in all member States.

Expected accomplishments

16.33 Expected accomplishments would include: ~~(a) effective changes in practices and legislation in the field of trade and investment; (b) greater use of standardized trade practices and procedures in the ECE region; (c) dissemination of information on best practices in international trade; (d) recommendations on trade facilitation and United Nations Rules for Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT) standards; (e) promotion of public-private partnership in economies in transition; and (f) new and updated international standards and recommendations on agricultural produce.~~ **(a) agreement by member States on simpler and more effective trade practices and procedures; (b) an enhanced policy dialogue on the development of trade; (c) the adoption of new recommendations on trade facilitation and electronic business; and (d) new and updated international standards and recommendations on agricultural produce.**

Indicators of achievement

16.34 Indicators of achievement would include: ~~(a) the use of ECE guides for foreign investment, trade promotion and commercial practices, in the context of a market economy, by countries with economies in transition; (b) the further development and maintenance of UN/EDIFACT standards; (c) the number of ECE recommendations accepted and implemented by countries; and (d) the level of participation of the private sector in the trade-related activities of ECE.~~ **(a) the number of ECE trade facilitation recommendations accepted and implemented by countries; (b) strengthened participation of member States in terms of the number of participants and their level of authority in policy dialogue on issues related to development of trade; (c) the number of new recommendations on trade facilitation and electronic business adopted by countries with economies in transition of the region; and (d) the number of agreed new or revised international standards and recommendations on agricultural produce.**

Subprogramme 9
Industrial restructuring and enterprise development

[new subprogramme]

Objective

16.45 The objectives are to create an enabling environment for the formation and evolution of private enterprise and entrepreneurial activities, to increase the competitiveness of enterprises and to ensure the sustainability of industrial development in countries with economies in transition.

Strategy

16.46 Within ECE, substantive responsibility for this subprogramme is vested in the Industrial Restructuring and Enterprise Development Division. The subprogramme will be implemented through the exchange of experiences gained by developed market economies and economies in transition and through meetings of expert groups, resulting in the development of policy recommendations in different areas. These areas cover the facilitation of industrial restructuring and modernization, taking into account the socio-economic impact of industrial restructuring; the development of electronic business; the promotion of entrepreneurial activities, including

entrepreneurship for women and youth; intellectual property and real estate markets; corporate management; enhancement of the competitiveness of local producers; and the development of quality assurance systems and their application by enterprises. Forums will be provided for Member States, industrial business associations and representatives of the academic community for discussing industry and enterprise development issues in order to provide support for government policies and institutions and to ensure that the rules of the game are transparent, fully understood and complied with by all economic agents. Capacity-building activities (seminars, workshops, training the trainers, study tours and advisory services) will also be carried out, tailored to the needs of governmental structures and business networks involved in the regulation of industrial business activity.

16.47 Through these activities, the subprogramme will, with a particular focus on countries with economies in transition, facilitate the development of an institutional environment conducive to sustainable industrial and entrepreneurial activities and promote sound and socially responsible corporate management, technological innovation, efficient allocation and effective utilization of resources, and hence enhanced competitiveness of national producers.

Expected accomplishments

16.48 Expected accomplishments would include: (a) enhanced policy dialogue on industrial restructuring and modernization; (b) implementation in countries with economies in transition of ECE guidelines on best practices for promoting investment in public-private partnerships, land for development and innovation; (c) adoption of policies and measures by countries with economies in transition in favour of the creation and development of small and medium-sized enterprises; (d) better knowledge of the electronic capacity of countries with economies in transition.

Indicators of achievement

16.49 Indicators of achievement would include: (a) the number and level of participants who are in a position to engage in policy dialogue on the issues addressed and to contribute to the implementation of policy conclusions resulting from this dialogue; (b) the number of countries with economies in transition expressing a commitment to initiate changes in their legislation and practices relating to investment in public-private partnerships, land for development and innovation; (c) the number of countries with economies in transition adopting policies and measures in support of the creation and development of small and medium-sized enterprises; (d) identification of the needs of selected countries with economies in transition to improve their electronic capacity, as reflected in electronic readiness appraisal reports prepared by ECE.

Legislative mandates

Programme 16
Economic development in Europe

General Assembly resolutions

55/2	**United Nations Millennium Declaration**

Subprogramme 1
Environment

Economic Commission for Europe decisions

ECE/AC.21/2001/3, annex	**Decisions and recommendations adopted by the High-level Meeting on Transport, Environment and Health, endorsed by ECE at its fifty-sixth session (E/2001/37, para. 46)**

Subprogramme 2
Transport

Economic Commission for Europe decisions

ECE/AC.21/2001/3, annex	**Decisions and recommendations adopted by the High-level Meeting on Transport, Environment and Health, endorsed by ECE at its fifty-sixth session (E/2001/37, para. 46)**

Subprogramme 6
~~Trade, industry and enterprise development~~
Trade development

[*new title*]

Subprogramme 9
Industrial restructuring and enterprise development

General Assembly resolution

50/95	**International trade and development**

Economic and Social Council resolution

1991/76	**Promotion of interregional cooperation in the area of international trade facilitation**

Economic Commission for Europe decisions

C (49)	**Promoting the expansion of trade for products from the countries in transition in international markets**